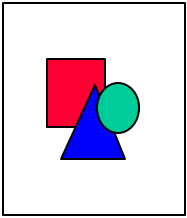


# President's Management Council (PMC)

## *Customer Satisfaction Results for Veterans Affairs*

### *Veterans Benefits Administration*



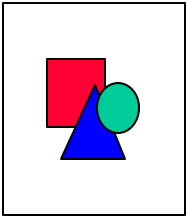


# PMC Customer Satisfaction Results



## ***A recap of the American Customer Satisfaction Index...***

- ✓ Not a survey, but a sophisticated interactive INDEX.
- ✓ The index uses survey and modeling methodology that relates customer satisfaction to expectations, evaluations of quality, and value (data for the VBA is at the 95% confidence level plus or minus 2.8 points).
- ✓ A uniform, cross-industry quarterly index of customer satisfaction established in 1994.
- ✓ Measures customer satisfaction for 170 private sector corporations and two major federal agencies (Internal Revenue Service and United States Postal Service).
- ✓ Database contains information from over 300,000 customer interviews.
- ✓ Produced by a partnership between the National Quality Research Center at the University of Michigan Business School, the American Society for Quality and Arthur Andersen.

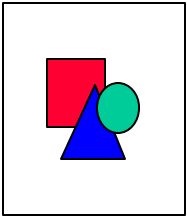


# PMC Customer Satisfaction Results



## *A brief review of the customer satisfaction index...*

- ✓ **January 1999:** Vice President Gore announces the intent to participate in a national customer satisfaction measure.
- ✓ **May 1999:** The President's Management Council agrees to sponsor participation in a national assessment of customer satisfaction. The assessment is to be developed and delivered by the American Customer Satisfaction Index.
- ✓ **June 1999:** Meetings are held with each agency to discuss the agency mission, identify activities to be measured, and provide an overview of the process.
- ✓ **July 1999:** Each agency selects a customer segment to be surveyed and provides customer samples for the data collection process (or chooses to use Random-Digit-Dial national sampling). ACSI customizes questionnaires for each agency.
- ✓ **August - December 1999:** ACSI conducts interviews of agency customers and inputs data obtained from the interviews into the ACSI model. ACSI analyzes the results and develops reports for each agency.

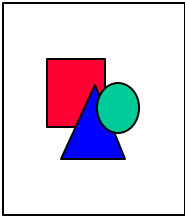


# PMC Customer Satisfaction Results



## ***Why did 30 federal, high-impact agencies participate?***

- ✓ To measure how well 30 High Impact Agencies (HIA) serve the American people (these HIAs interact with 90% of the American people).
- ✓ To set a baseline for measuring customer satisfaction in the federal government.
- ✓ To benchmark customer satisfaction among federal agencies and the private sector.
- ✓ To identify areas in which high-impact agencies can improve customer satisfaction (continue the progress indicated by the fact that only 30% of government employees could identify their customer in 1993..... in 1998 that percentage grew to 75%).
- ✓ To create a government that works better, costs less, and gets the results Americans care about.



# PMC Customer Satisfaction Results



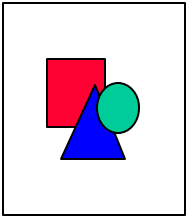
## ***Which Veterans Benefits Administration (VBA) customer segment was surveyed?***

- ✓ VBA chose veterans or dependents who received a decision regarding a compensation or pension claim in May 1999 for the types of claims listed below.

## ***How were the VBA customers identified?***

- ✓ The VBA provided a list of 10,039 names stratified to match the proportions of claims for the categories listed below. A random sample was selected sufficient to complete 260 interviews.

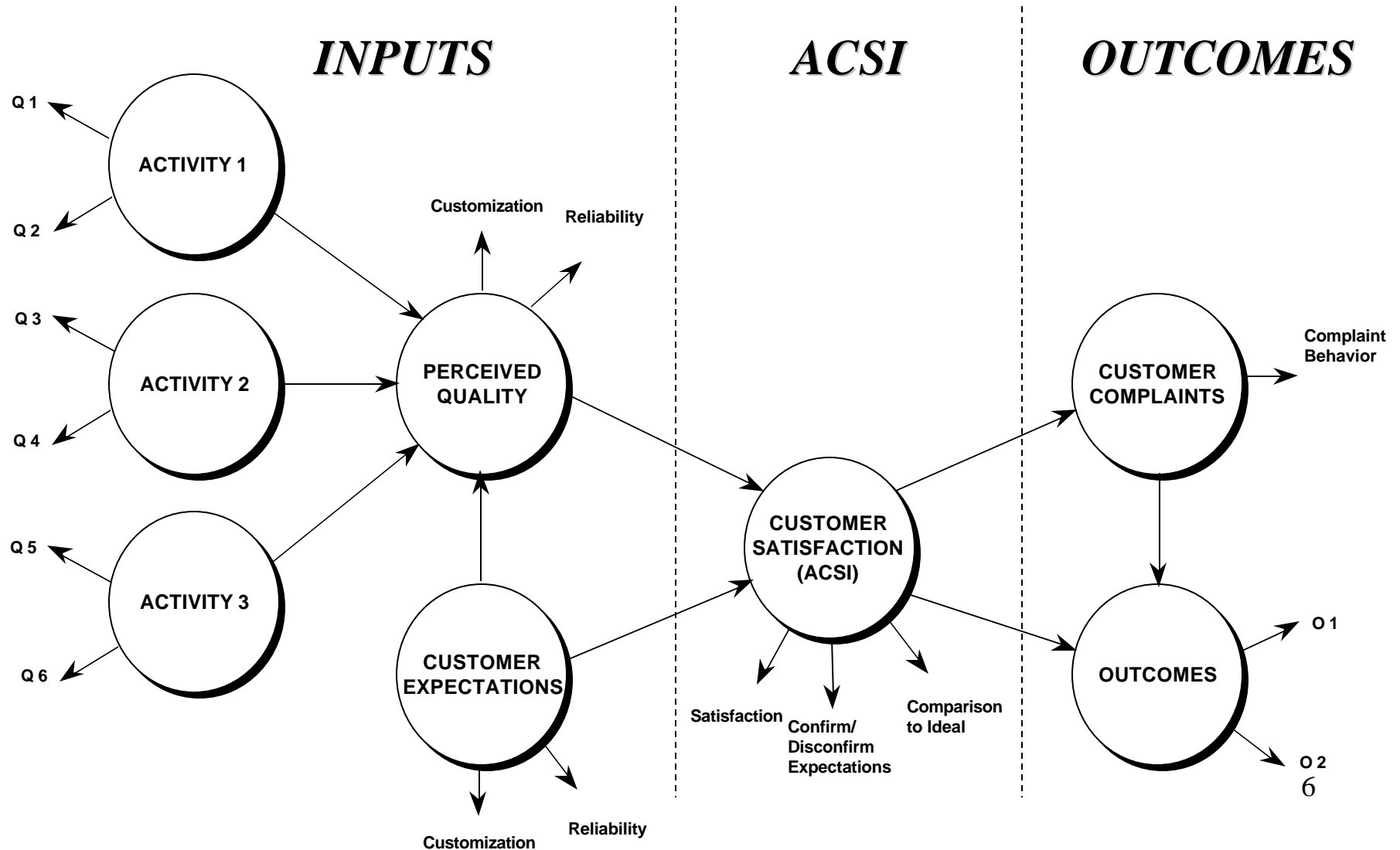
Category	# of Names
<input type="checkbox"/> Initial Disability Compensation Claim (8 or more issues)	380
<input type="checkbox"/> Re-opened Compensation Claim	2,254
<input type="checkbox"/> Initial Disability Compensation Claim (fewer than 8 issues)	1,264
<input type="checkbox"/> Re-opened Pension Claim	705
<input type="checkbox"/> Dependency Issue	2,201
<input type="checkbox"/> Initial Survivors Comp., DIC, or Death Comp	420
<input type="checkbox"/> Income, Estate, or Election Issue	1,751
<input type="checkbox"/> Initial Disability Pension Claim	439
<input type="checkbox"/> Initial Survivors Pension Claim	625

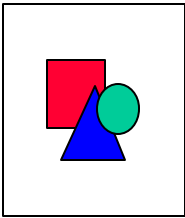


# PMC Customer Satisfaction Results



*The ACSI model for most government agencies...*





# PMC Customer Satisfaction Results

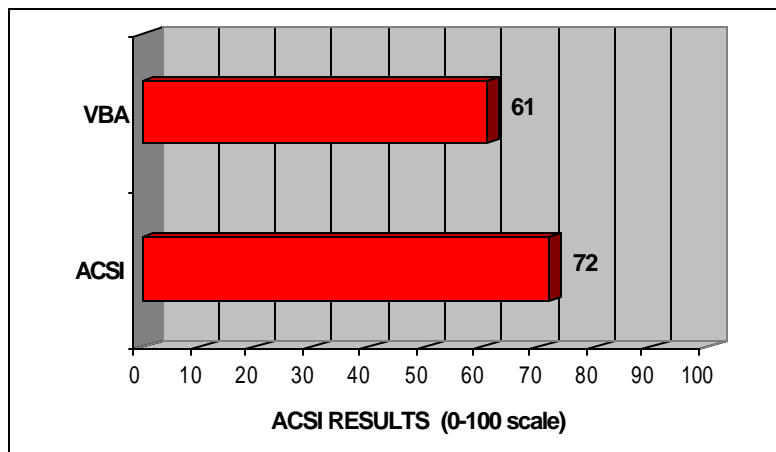


## *What are the ACSI results for the Veterans Benefits Administration?*

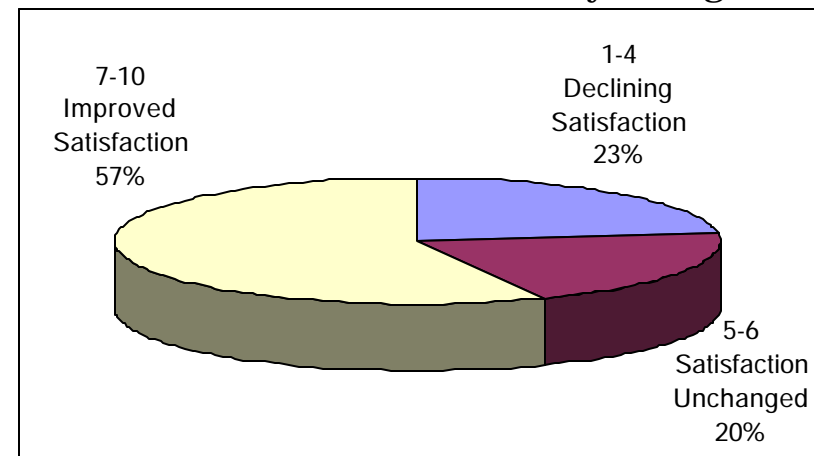
- ✓ The 1999 Customer Satisfaction Index (ACSI) for the Veterans Benefits Administration is...

**61\***

- ✓ VBA's score is 11 points below the current, national ACSI of 72.

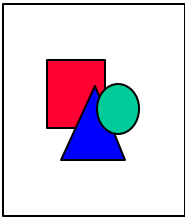


- ✓ 57% of customers with VBA experience are more satisfied now than two years ago.\*\*



\* Data for the VBA is at the 95% confidence level plus or minus 2.8 points

\*\* 1 - 10 scale



# PMC Customer Satisfaction Results



## *How is the Veterans Benefits Administration ACSI derived?*

- ✓ VBA's 1999 Customer Satisfaction Index (ACSI) is derived from customer responses\* to three questions dealing with **overall satisfaction** ...

1. How **satisfied** are you with the VBA?

*Average VBA customer response:*

**6.9**

2. To what extent has the compensation and pension claims process of the VBA fallen short of or exceeded your **expectations**?

*Average VBA customer response:*

**6.1**

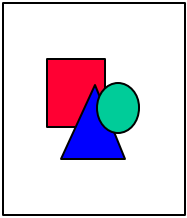
3. How well do you think the VBA **compares to the ideal** agency processing compensation and pension claims ?

*Average VBA customer response:*

**6.3**

\*The questions are answered on 1-10 scales with a mid-point of 5.5.



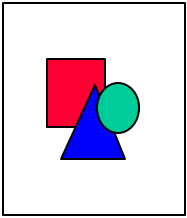


# PMC Customer Satisfaction Results



## *What drives overall customer satisfaction?*

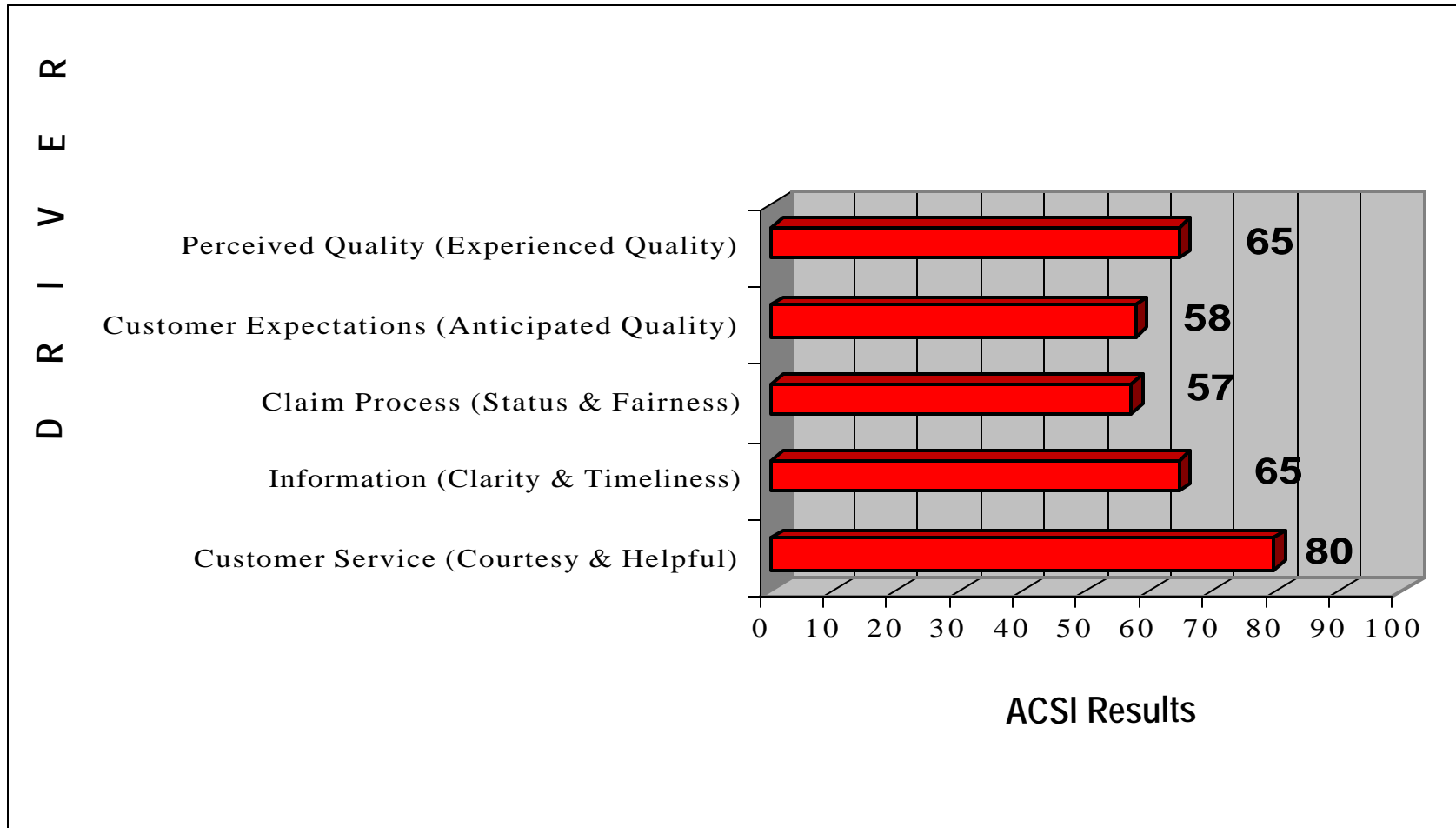
- ✓ There are two major drivers of VBA customer satisfaction:
  - ❑ Customer **expectations** of the quality received from VBA.
  - ❑ **Perceived** quality delivered after experience with VBA.
  
- ✓ In addition, VBA identified the following three activities that interface with its customers:
  - ❑ The **Claim Process** customers use for compensation and pension claims.
  - ❑ **Information** about the compensation and pension claims process.
  - ❑ **Customer Service** pertaining to inquiries about the status of claims.



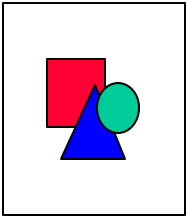
# PMC Customer Satisfaction Results



***What are VBA's customer satisfaction driver results?***



\* 0-100 scale

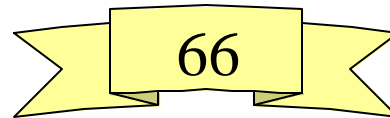


# PMC Customer Satisfaction Results

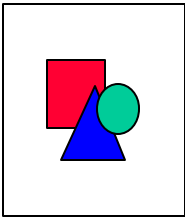


## *What are the outcomes VBA wants from satisfied customers?*

- ✓ The outcome VBA desires from satisfied customers is **Veterans Trust** (0-100 scale). The ACSI for Veterans Trust is...



- ✓ This is a relatively low measure of trust. Veterans felt more positively about speaking on behalf of VBA (mean of 7.0)\* than they felt that VBA reflects the dignity and respect due a veteran (mean of 6.7).
- ✓ The VBA's Veterans Trust index is derived from veteran responses to two questions...
  1. How confident are you that the Veterans Benefits Administration reflects the dignity and respect due a veteran for military service?
  2. If asked, how willing are you to say positive things to other veterans, or to the dependents of veterans, about the compensation and pension claims process of the VBA?



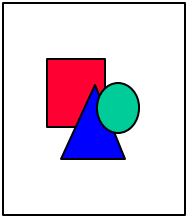
# PMC Customer Satisfaction Results



## ***What are the outcomes of customer satisfaction?***

- ✓ Customer complaints were filed by **31%** of veterans. Of those veterans who complained...
- ❑ 94% complained formally in writing or by telephone an average of **7.9** times.
  - Two-thirds complained **4 times or fewer**.
- ❑ Almost all who complained formally also complained informally (when speaking with VBA personnel).
- ❑ It is important to note that veterans were *not* asked specifically whether they had ever complained about the filing process, but generally whether they had ever complained about their experiences with VBA. *Therefore, it is likely some case respondents were complaining about a denial of a benefit claim or about a claim amount they felt was less than adequate.*
- ❑ Veterans rated VBA's handling of their complaints as below average\*...

4.9

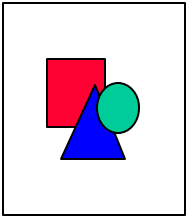


# PMC Customer Satisfaction Results



## *In which area is the Veterans Benefits Administration doing well?*

- ✚ Veterans give **Customer Service** a strong score of 80.
  - ☐ They view VBA personnel as courteous (mean of 8.5)\* and helpful (mean of 7.9) when assisting them with the status of claims.
  
- ✚ 57% of veterans with VBA experience are **more satisfied now** than they were 2 years ago.

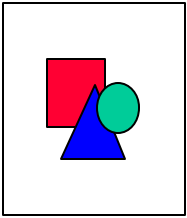


# PMC Customer Satisfaction Results



## *In which areas does the Veterans Benefits Administration need improvement?*

- ▲ **Information** receives a **low score** of 65 due to VBA's performance in keeping veterans informed of claims status (mean of 6.6). However, VBA receives an **adequate, though not outstanding, score** for the clarity of information provided (mean of 7.2).
- ▲ At 57, **Claims Process** earns the **lowest score** of VBA's three activities with regards to the fairness and timeliness of claims.
- ▲ **Customer Expectations** are quite low (veterans come to the claim process with low expectations of the quality of service), but this has little or no impact on Perceived Quality or Customer Satisfaction.

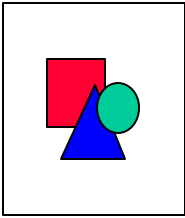


# PMC Customer Satisfaction Results



***How can VBA act on the ACSI results? (Examples only. Not intended to be prescriptive.)***

- ✓ **VBA may want to address its Claim Process and Information activities.**
  - ❑ These activities have **the greatest impact** on Perceived Quality and Customer Satisfaction (ACSI).
  - ❑ Timeliness of the decision process and keeping veterans informed are operational areas that **could be improved and managed**.
  - ❑ Fairness is an issue of outcome and could be much more difficult to manage or improve.
  
- ✓ **VBA could consider simply maintaining the high level of Customer Service it provides veterans.**
  - ❑ VBA may may want to devote resources sufficient to maintain the quality of activities which are already highly scored.
  - ❑ Deterioration of these services would have a negative effect on perceived quality and, in turn, overall satisfaction.



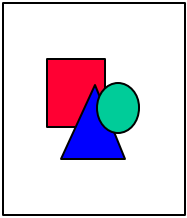
# PMC Customer Satisfaction Results



## *What should VBA do next?*

- ✓ Analyze results presented in report.
- ✓ Develop strategy for communicating results to employees, stakeholders and customers.
- ✓ Drill down on high impact areas where the agency receives the greatest return on investment.
- ✓ Identify gaps between current initiatives and desired outcomes.
- ✓ Formulate an improvement strategy that can be released following the Government-wide announcement in December.



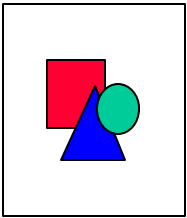


# PMC Customer Satisfaction Results



## *What's next in the Customer Satisfaction Index?*

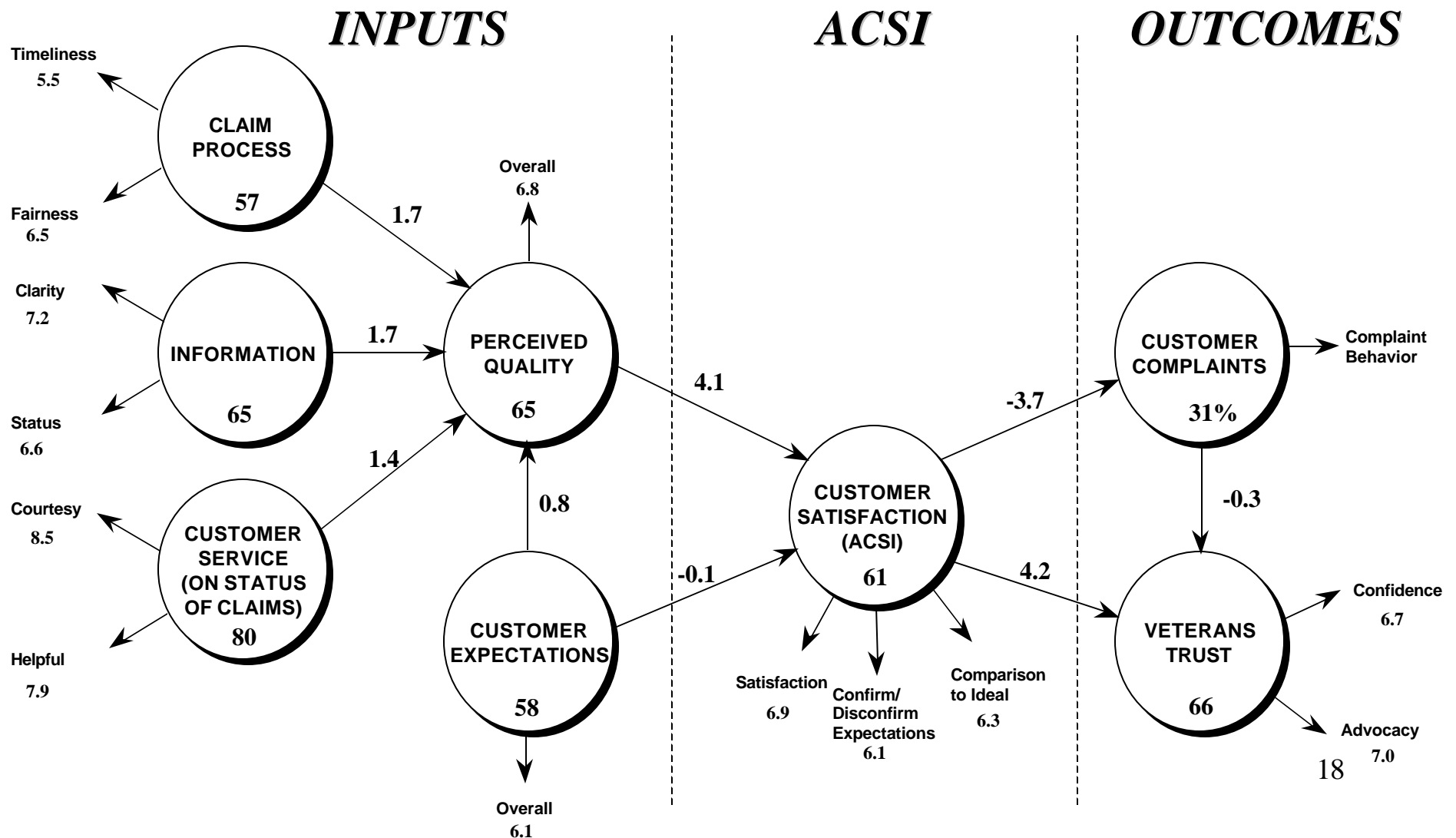
- ✓ Detailed results, recommendations and customer satisfaction best practices for each agency will be posted on a web site by ACSI.
- ✓ Benchmarking will take place among similar customer segments to allow for learning and sharing of best practices.
- ✓ ACSI will provide software for 'what if' scenario planning to determine 'cause and effect' relationships with customer satisfaction.
- ✓ In December, the Vice President will announce ACSI results of all federal agencies in the initiative, as well as a cross-agency, government-wide report.
- ✓ The survey process will be repeated by ACSI in the next phase of the initiative to measure trends in agency performance and customer satisfaction.

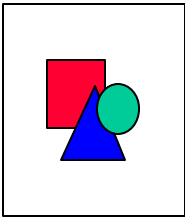


# PMC Customer Satisfaction Results



**Segment: Veteran compensation & benefit claimants whose claim decision was received in May 1999**





# PMC Customer Satisfaction Results

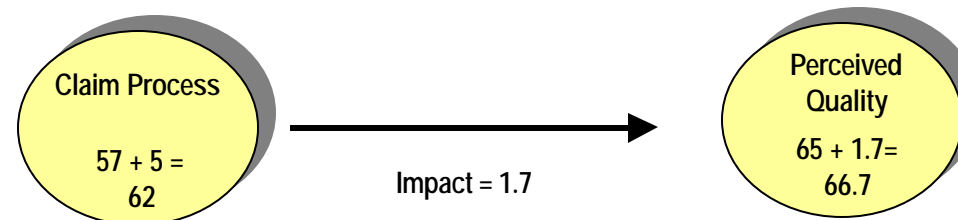


**How can VBA use the ACSI results to develop a customer satisfaction strategy?**

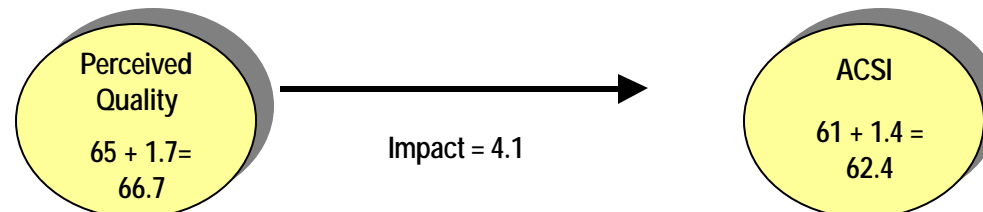
**( the “what if” software will make these linkage calculations)**

✓ VBA can link the effects that changes in the drivers will have on customer satisfaction.

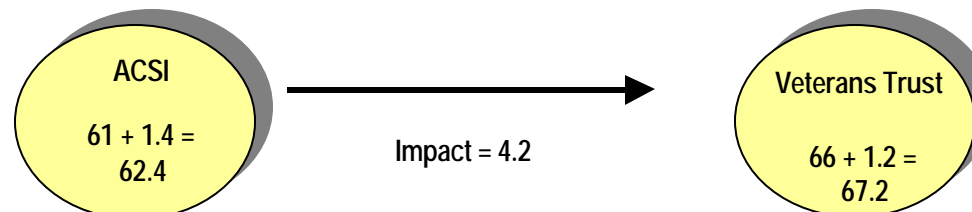
1. Assume the index of one of VBA’s activities (Claim Process) increases by 5 points.
2. Increase the index of the resulting driver (Perceived Quality) by the impact the activity has on it (1.7).



3. Increase the ACSI index (61) by the impact the driver (Perceived Quality) has on it (1.4)\*.

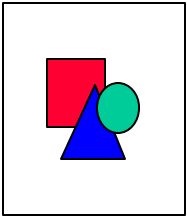


4. Increase the Veterans trust index (66) by the impact the ACSI has on it (1.2)\*\*.



\* The computation is: Impact of Perceived Quality on ACSI (Impact of Process on Perceived Quality/5) or 4.1 (1.7/5) = 1.4

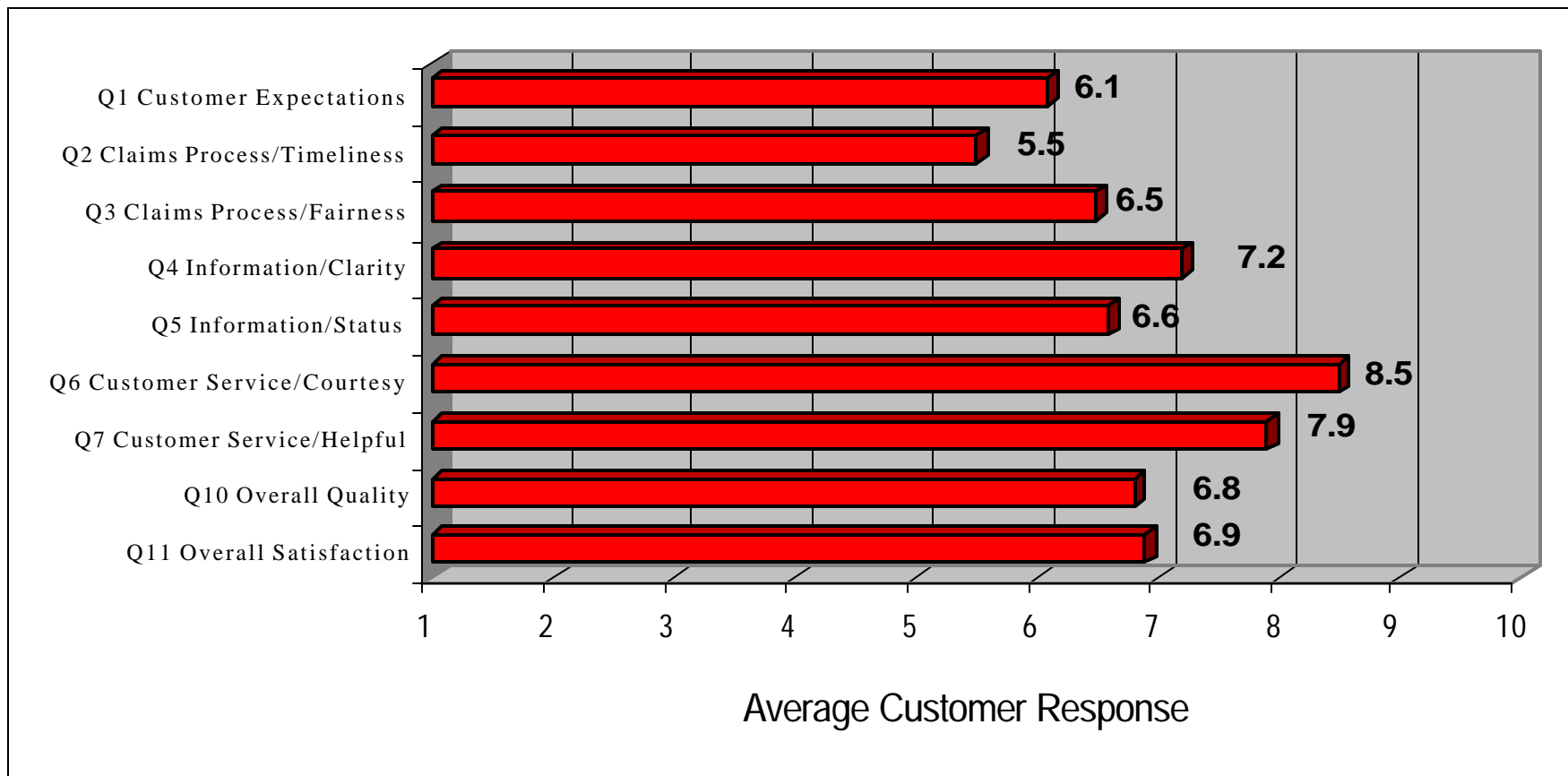
\*\* The computation is: Impact of ACSI on Veterans Trust (Impact of Perceived Quality on ACSI/5) or 4.2 (1.4/5) = 1.2



# PMC Customer Satisfaction Results

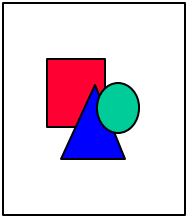


***How did the average VBA customer respond to the survey questions? (Questions 1- 11)\****



\* 1-10 scale

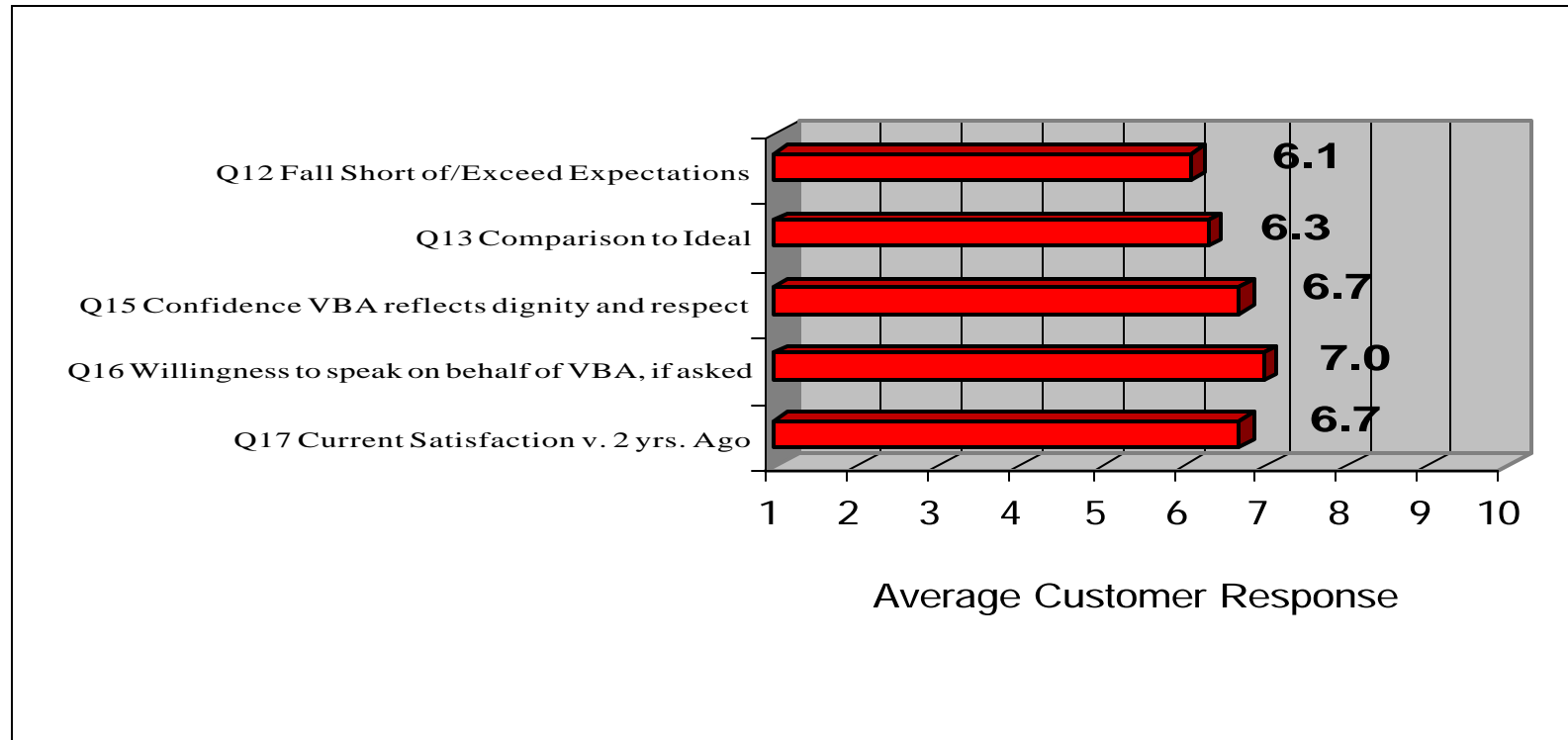
***continued...***



# PMC Customer Satisfaction Results



***How did the average VBA customer respond to the survey questions? (Questions 12- 17)\****



## COMPLAINTS Q14a,b,c

**Q14a Average # Formal Complaints - 7.9**

**Q14b Average # of Complaints to Personnel - 7.2**

**Q14c Complaint Handling (1-10 Scale)- 4.9**